GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

APBDICL - Administrative sanction for the work "Setting up of Bulk Drug Park, Nakkapalli in Anakapalli District, Andhra Pradesh" for an amount of Rs.1876.66 Crores in view of the final approval under the central scheme *"Promotion of Bulk Drug Parks"* given by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, GoI - Orders - Issued.

==========

INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.Rt.No.02 Dated:02.01.2024.

Read the following:

1. G.O.Ms.No.45, Ind. & Comm. (Infra) Dept., dt.26.08.2020.
2. G.O.Ms.No.67, Ind.&Com (INFRA) Dept., dt:14.10.2020.
3. G.O.Ms.No.80, Ind.&Com (INFRA) Dept., dt:22.09.2023.
4. From the Under Secretary to GoI, Ministry of Chemicals and Fertilizers, Dept. of Pharmaceuticals, GoI, dt:07.12.2023.
5. From the VC&MD,APIIC, e-Office File No. APIIC-23021/27/2023-ENGG WING I-APIIC (C.No.2300205).

ORDER:

In the G.O. 1st read above, Government have incorporated a new Company *in the name of* A.P. Bulk Drug Infrastructure Corporation Ltd. (APBDIC), *a 100%* subsidiary of Andhra Pradesh Industrial Infrastructure Corporation Ltd (APIIC) to act as State Implementing Agency (SIA) for the establishment of Bulk Drug Park in Andhra Pradesh under the central scheme *"Promotion of Bulk Drug Parks"* of DoP of Ministry of Chemicals and Fertilizers and accorded approval for setting up of Bulk Drug Park in a minimum area of 2,000 Acres in Andhra Pradesh authorizing the APIIC Ltd. for preparation and submission of application to GoI on behalf of GoAP for setting up of Bulk Drugs Park and permitted to take forward the following initiatives related to setting up of Bulk Drug Park in the State:-

i. To constitute "A.P. *Bulk Drugs Infrastructure Corporation (APBDIC)",* a 100% subsidiary under APIIC to act as State Implementing Agency (SIA) for the project with Board and Responsibilities as specified at para 6(i) in the G.O.
ii. To identify a private partner, who proposes to offer minimum 2,000 Acres of unencumbered land, as per DoP, GoI scheme "Promotion of Bulk Drug Parks", dated 27th July, 2020 and willing to design, build, finance, develop and operate the park, through a transparent method.
iii. To enter into an MoU with IICT-CSIR as Knowledge Partner.

(P.T.O.)

2. In the G.O.2nd read above, Government have issued orders to create a competitive environment for the Industries coming up in the proposed Bulk Drug Park in the State and also to extend the following special Package of incentives exclusively for the units set-up in the Bulk Drug Park:-

i. Reimbursement of 100% of net SGST accrued to the state for a period of 10 years from the date of commencement of commercial production or upto the realization of 125% fixed capital investment, whichever is earlier.

ii. Reimbursement of 100% stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.

iii. Reimbursement of 100% stamp duty for the lease of land/shed/ buildings, mortgages and hypothecations.

iv. Uninterrupted 24x7 quality power, water and steam at competitive rates through co-generation or through a separate Distribution System for units setup in the Bulk Drug Park.

v. Waste and effluent treatment services to be provided at doorstep at competitive prices through common CETPs in Bulk Drug Park.

vi. Reimbursement of 50% of registration charges of various countries for product approval (Such as USA-FDA, EDQM-EU, PMDA-Japan, MHRA-UK, IMB- Ireland, TGA- Australia, Health Canada- Canada etc.) limited to f. 25 Lakhs.

vii. GoAP will support 10% of the cost of establishing of Technology and Research Institutes in the state in coordination with leading Institutions /Research Organizations and Educational Institutions as well as industry limited to Rs.5.0 Crore, with appropriate financial, infrastructure and other support mechanisms duly dovetailing with relevant schemes of GoI.

viii. All other incentives applicable as per A.P. Industrial Development Policy 2020-23.

3. In the G.O.3rd read above, Government have accorded approval for relocation of the Bulk Drug Park project from K.P.Puram & Kodhada villages of Thondangi Mandal, Kakinada District (erstwhile East Godavari District) to Nakkapalli in Anakapalli District and the allocation of a minimum of 2,000 acres of APIIC land in Nakkapalli for the Bulk Drug Park project in accordance with the proposal (No.INC-01-INDOCIET/33/2020/APUIAML-INFRA/BDP-Proposal/01 dt.15.10.2020 of Spl.CS, I&C Department, GoAP) submitted by the GoAP to the GoI for the selection under the *Promotion of Bulk Drugs Scheme* and to the revised estimated project cost of Rs.2,190 Crores at the new location.

Contd...3...

4. In the reference 4th read above, the Department of Pharmaceuticals, Ministry of Chemicals and Government of India, has accorded the final approval for setting up the Bulk Drug Park at Nakkapalli in Anakapalli District with total project outlay of Rs.1876.66 Crores in an extent of 2001.80 Acres with the GoI grant-in-aid component of Rs.996.45 Cr for Common Infrastructure facilities (CIF) and an amount of Rs.880.21 Cr towards state contribution subject to following conditions specified in the final approval letter and provisions of Scheme Guidelines:-

i. GoAP to ensure that land lease charges (upfront and annual charges) and utility rates, are in accordance with the decision taken by the Scheme Steering Committee (SSC).
ii. The total project cost is Rs.1876.66 Crore. GoAP has proposed to raise a debt of Rs.680.21 crore, through Commercial Bank, in addition to the Grant in Aid and State Equity of 200 crore. GoAP to ensure timely infusion of Equity & Debt, as proposed in the DPR.
iii. As the focus given to fermentation based Bulk Drugs manufacturing units, commensurate area out of the total industrial areas should be allocated for these fermentation units to realize the potential of the focus. APBDIC will have to strongly engage with the manufacturers of APIs producers, for both fermentation and chemical synthesis, to have a product mix, advantageous to the location of the park.
iv. Considering the focus given to fermentation based Bulk Drug manufacturing units, GoAP / APBDIC to ensure that sufficient water would be available to fermentation based projects.
v. SIA shall ensure a financial envelope and ring-fencing of the DoP and State Govt. funds for the CIF project by opening a Trust and Retention Account (TRA) or Escrow or No Lien Account as per the scheme guidelines.
vi. An over-sight institutional arrangement for CIF project of the Park in the form of Project Management Committee (PMC), with representative from DoP and other technical experts, to be constituted to oversee the progress of the CIF project.
vii. APBDIC shall ensure fair and transparent land allotment process with laid down policy for the proposed Park. It may consider early land off-take in the initial years to create momentum in the BDP by attracting more investors in the construction phase of the park, so that the capacities created are appropriately utilized and to realize early revenue stream.
viii. APBDIC shall keep the DoP informed on development of such policy from time to time. This Policy should also have clearly laid out provision for cancellation of allotment of the land, if the commercial production is not started by the allottee within particular period from the date of allotment. APBDIC to ensure that the scheme should discourage land stocking by any allottee in the park.

Contd..4....

ix. SIA should prepare a rational policy for allotment based on analysis of the output acre and capacity created vs the land sought by any applicant before making allotment of land.

x. APBDIC shall submit the Environmental Clearance certificate at the earliest.

xi. APBDIC should opt for a robust governance model, right from the initial phase of development, in view of the substantial central government grant in the project. The SIA to visualize and set the processes in such a way that all the financial and operational processes in the development of the park are in conformity with the General Financial Rules of the Central Government. Guidance may be taken from PMA/DoP in this regard.

xii. APBDIC should release all tender documents and procurement documents in line with the Central Government Guidelines.

xiii. While focusing on new technology adopted for CIF units, optimum utilization and financial sustainability may also be considered. APBDIC to encourage and set appropriate incentives to land allottees to utilize common infrastructure efficiently and effectively to make the SIA, a self- sustaining one. Accordingly, focus should be given on designing and executing the CIF components and preparation of tenders tor the same.

xiv. SIA should ensure that all the assets created in the park are in the books of APBDIC and not in the any partner of PPP.

xv. While preparing commercial/ industrial and mixed land use, issues relating land conversion may be kept in mind.

5. In the reference 5th read above, the VC&MD., APIIC Ltd., has requested the Govt. to accord Administrative Sanction for the work of "Setting up of Bulk Drug Park, Nakkapalli in Anakapalli District, Andhra Pradesh" for an amount of Rs.1876.66 Cr in view of the final approval given by the Government of India vide Letter dt.07.12.2023, based on the proposal sent by APBDIC vide Lr No. APBDIC/DPR/2023/18 dated 13.10.2023 pursuant to permission of the Government of Andhra Pradesh vide ref-3 for change of location.

6. Government after careful examination of the proposal, hereby accord administrative sanction for the work Setting up of Bulk Drug Park, Nakkapalli in Anakapalli District, Andhra Pradesh" for an amount of Rs.1876.66 Crores in view of the final approval given by the Government of India in its Letter dt.07.12.2023, under the central scheme *"Promotion of Bulk Drug Parks"* of DoP of Ministry of Chemicals and Fertilizers.

7. The Managing Director, APBDIC Ltd., Mangalagiri, shall take further necessary action in the matter duly following relevant Rules in force and ensure that all the conditions stipulated in the GoI's final approval received vide reference-4 to be followed without any deviations.

Contd..5....

8. This order issues with the concurrence of the Finance (FMU.I&C,I&I,Energy) Department, vide their U.O.No.FMU0PC(IIE)/4/2020-AS-9 (Computer No.1210218), dt.01.01.2024.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Managing Director, AP Bulk Drug Infrastructure Corporation Ltd., APIIC Towers, Mangalagiri, Guntur District.
The Vice Chairman& Managing Director, APIIC, Mangalagiri.
Copy to:
The Finance (FMU-I&I, Energy, I&C) Dept., A.P. Secretariat.
The PPS to Secretary, Department of Pharmaceuticals,
Ministry of Chemicals and Fertilizers, GoI
The Director of Treasuries & Accounts, Mangalagiri.
The Pay and Accounts Officer, Mangalagiri.
The Director of Works & Accounts, Mangalagiri.
The CEO., APCFMS.
SF/SC (Comp.No. 1193981)

//FORWARDED:: BY ORDER//

SECTION OFFICER